



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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BY FACSIMILE

December 12, 2002

IN REPLY PLEASE

REFER TO FILE: **C-1**

TO: Each Supervisor

FROM: James A. Noyes
Director of Public Works

ITEM NO. 77 ON THE DECEMBER 17, 2002, BOARD AGENDA PLACEMENT OF BUS SHELTERS, BENCHES, AND TRASH RECEPTACLES AT VARIOUS LOCATIONS POSSIBLE PROTEST OF AWARD

Our recommendation to award the subject project to LNI Custom Manufacturing, Inc., was on the December 10, 2002, Board agenda. However, on December 9, 2002, I requested that this item be continued one week to investigate protests of the award to LNI submitted by Vido Samarzich, Inc. (VSI), the second bidder. Initially, VSI contended that since LNI did not possess the proper contractor's license at the time bids were submitted, their bid should be rejected. However, this project includes Federal funds and Federal regulations specify that the proper license can be required only at the time of award. In addition, the Instructions to Bidders, included in the request for bids, clearly state that this is the case.

At the time of bid, LNI did not possess the required contractor's license. Upon being advised that their license was not appropriate, LNI applied for the proper license, successfully completed the required examination, and was issued the appropriate license by the State Contractors Licensing Board on December 2, 2002. Therefore, this issue has been satisfactorily resolved.

After being advised that LNI had been granted the appropriate license, on December 9, 2002, VSI submitted another protest stating that the individual who signed several of LNI's bid documents is only an executive account manager and not an officer of the company authorized to sign such documents. The president of LNI informed us that the manager in question routinely signs such documents, including contracts, on behalf of the company. In addition, the company president signed several of the bid documents including the bid bond, which indicates the company officers were fully aware the bid was being submitted. Importantly, if LNI attempted to withdraw its bid, something LNI does not intend to do, the County is protected by the bid bond.

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County Counsel concurs with my recommendation that the contract can be awarded to LNI. In addition, to eliminate any doubt regarding their willingness to carry out the contract, on December 12, 2002, LNI submitted a properly signed and notarized contract as requested by the Department. LNI understands that the bid is not considered as binding upon the County until the project is awarded by your Board and the contract is fully executed.

If you have any further questions, please contact me or your staff may call Gary J. Hartley at (626) 458-4016.

SMA:pb

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cc: Chief Administrative Office
County Counsel
Executive Office